

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

CORAL CANADA US INC.)
_____)

FE DOCKET NO. 01-31-NG

**ORDER GRANTING BLANKET AUTHORIZATION TO
IMPORT AND EXPORT NATURAL GAS
FROM AND TO CANADA**

DOE/FE ORDER NO. 1695

JULY 26, 2001

I. DESCRIPTION OF REQUEST

On June 19, 2001, Coral Canada US Inc. (Coral) filed an application with the Office of Fossil Energy of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA)^{1/} and DOE Delegation Order Nos. 0204-111 and 0204-127, for authority to import up to 350 billion cubic feet (Bcf) and to export up to 350 Bcf of natural gas from and to Canada. The term of the authorization will be for two years beginning on the date of the first delivery. Coral, a Delaware corporation with its principal place of business in Houston, Texas, is indirectly owned by Shell Oil Company and Intergen, N.A. This natural gas will be imported and exported under short-term and spot market transactions with contractual provisions that will be competitive and responsive to prevailing market conditions. Coral will carry on these arrangements either on its own behalf or as an agent for others. The proposed authorization does not involve the construction of new pipeline facilities.

II. FINDING

The application filed by Coral has been evaluated to determine if the proposed import and export arrangement meets the public interest requirement of section 3 of the NGA, as amended by section 201 of the Energy Policy Act of 1992 (Pub. L. 102-486). Under section 3(c), the import or export of natural gas from or to a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas is deemed to be consistent with the public interest and must be granted without modification or delay. The authorization sought by Coral to import and export natural gas from and to Canada, a nation with which a free trade agreement is in effect, meets the

^{1/} 15 U.S.C. § 717b.

section 3(c) criterion and, therefore, is consistent with the public interest. This blanket order authorizes transactions under contracts with terms of no longer than two years.

ORDER

Pursuant to section 3 of the Natural Gas Act, it is ordered that:

A. Coral Canada US Inc. (Coral) is authorized to import up to 350 Bcf of natural gas and to export up to 350 Bcf of natural gas from and to Canada over a two-year term beginning on the date of the first import or export delivery, whichever occurs first. This natural gas may be imported and exported at any point on the border of the United States and Canada.

B. Within two weeks after deliveries begin, Coral will provide written notification to the Office of Natural Gas & Petroleum Import & Export Activities of the date that the first import or export of natural gas authorized in Ordering Paragraph A above has occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Coral must file, within 30 days following each calendar quarter, reports indicating whether imports or exports of natural gas have been made. Quarterly reports will be filed whether or not initial deliveries have begun. If no imports or exports of natural gas have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Coral must report the following information: (1) total monthly volumes in Mcf; (2) the average monthly purchase price of gas per MMBtu at the international border; (3) the name of the seller(s); (4) the name of the purchaser(s); (5) the estimated or actual duration of the agreement(s); (6) the name of the U. S. transporter(s); (7) the point(s) of entry and exit; and (8) the geographic market(s) served (for imports, by State). For import transactions only, the report will also include this additional information: (1) whether sales are being made on an

interruptible or firm basis; and (2) the per unit (MMBtu) demand/commodity/reservation charge breakdown of the contract price. [OMB No.: 1901-0294]

D. The notice and reports required by Ordering Paragraphs B and C of this Order will be filed with the Office of Natural Gas & Petroleum Import & Export Activities, Fossil Energy, Room 3E-042, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585.

E. The first quarterly report required by Ordering Paragraph B of this Order is due not later than October 30, 2001, and should cover the period from the date of this Order until the end of the third calendar quarter, September 30, 2001.

Issued in Washington, D.C., on July 26, 2001.

Clifford P. Tomaszewski
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Office of Natural Gas & Petroleum
Import & Export Activities
Office of Fossil Energy